UNITED STATES PATENT AND TRADEMARK OFFICE

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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Ex parte PAUL E. BLACKWOOD

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Appeal 2017-000991
Application 13/744,602
Technology Center 3600

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Before THU A. DANG, NORMAN H. BEAMER, and
STEVEN M. AMUNDSON, *Administrative Patent Judges.*

AMUNDSON, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellant seeks our review under 35 U.S.C. § 134(a) from the Final
Rejection of claims 1–3, 5–13, and 15–21, i.e., all pending claims. We have
jurisdiction under 35 U.S.C. § 6(b).

We reverse.

STATEMENT OF THE CASE

The Invention

According to the Specification, the invention relates to "a system and
method for converting funds from a starting currency to a final currency and
transferring the converted funds from a sender to a recipient" as well as

"options provided to the sender when transferring the funds." Spec. ¶ 2.[1]

The Specification explains that "[t]he system and method allow[] a sender to select a conversion rate from a plurality of conversion rates and the associated currency converter financial institution to conduct the transfer from the sender to the recipient." Abstract.

Exemplary Claim

Independent claim 1 exemplifies the claims at issue and reads as follows:

> 1. A computer system for transforming funds from a first currency to a second currency and transferring the funds to a desired recipient, said system comprising:
>
> an account card associated with the recipient;
>
> a mobile communication device associated with the recipient;
>
> a recipient workstation having a display device and an input device for setting up an account for the recipient and for activating a first toggle button to suspend further use of said account card in the event said account card is lost or stolen until the recipient recovers said account card and activates a second toggle button to enable further use of said account card;
>
> a sender workstation having a display device and an input device for entering transaction information into a customer module of software wherein the transaction information includes an identification of the recipient, a mobile alert number for communicating with the recipient, a customized message to be sent to the mobile communication device upon a sender confirming a transaction associated with the recipient so that

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[1] This decision uses the following abbreviations: "Spec." for the Specification, filed January 18, 2013; "Final Act." for the Final Office Action, mailed September 15, 2015; "Br." for the Appeal Brief, filed April 22, 2016; and "Ans." for the Examiner's Answer, mailed August 15, 2016.

the recipient is notified that the funds have been transferred for access by the recipient using said account card, an amount to be transferred in the first currency, and an identification of the second currency of the funds to be transferred;

an account network in communication with said sender workstation, said account network including one or more servers operating a database for storing the transaction information and associating said transaction information with a unique sender account number and available funds for transfer by the sender wherein the available funds are in the first currency; and

a plurality of converter workstations in communication with said account network, each of said converter workstations associated with one of a plurality of different currency converters and having an input device for entering converter information into a conversion module of the software wherein the converter information includes a unique converter identification number and a conversion rate for converting the funds from the first currency to the second currency,

wherein the customer module displays on said display device of said sender workstation to the sender the conversion rates of the plurality of different currency converters thereby allowing the sender to select the conversion rate and associated currency converter for transferring the funds to the recipient,

wherein the conversion module of the software is configured to:

display to a first currency converter of the plurality of different currency converters first graphical time-based trend information attributed to the first currency converter, wherein the first graphical time-based trend information is based on a number of transactions in which senders selected the conversion rate of the first currency converter or is based on amounts converted by the first currency converter; and

display to a second currency converter of the plurality of different currency converters second graphical time-based trend information attributed to the

> second currency converter, wherein the second graphical
> time-based trend information is based on a number of
> transactions in which senders selected the conversion rate
> of the second currency converter or is based on amounts
> converted by the second currency converter.

Br. 22–23 (Claims App.).

The Rejection on Appeal

Claims 1–3, 5–13, and 15–21 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. Final Act. 2–3.

ANALYSIS

We have reviewed the § 101 rejection in light of Appellant's arguments that the Examiner erred. Based on the record before us and for the reasons explained below, we concur with Appellant's contention that the Examiner erred in determining that the claims fail to satisfy § 101.

INTRODUCTION

The Patent Act defines patent-eligible subject matter broadly: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. § 101. In *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 70 (2012), and *Alice Corp. v. CLS Bank International*, 134 S. Ct. 2347, 2354 (2014), the Supreme Court explained that § 101 "contains an important implicit exception" for laws of nature, natural phenomena, and abstract ideas. *See Diamond v. Diehr*, 450 U.S. 175, 185 (1981). In *Mayo* and *Alice*, the Court set forth a two-step analytical framework for evaluating patent-eligible subject matter: First, "determine whether the claims at issue are directed to" a patent-

ineligible concept, such as an abstract idea. *Alice*, 134 S. Ct. at 2355. If so, "consider the elements of each claim both individually and 'as an ordered combination' to determine whether the additional elements" add enough to transform the "nature of the claim" into "significantly more" than a patent-ineligible concept. *Id.* at 2355, 2357 (quoting *Mayo*, 566 U.S. at 79); *see Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016).

Step one in the *Mayo/Alice* framework involves looking at the "focus" of the claims at issue and their "character as a whole." *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). Step two involves the search for an "inventive concept." *Alice*, 134 S. Ct. at 2355; *Elec. Power Grp.*, 830 F.3d at 1353. An "inventive concept" requires more than "well-understood, routine, conventional activity already engaged in" by the relevant community. *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1047 (Fed. Cir. 2016) (quoting *Mayo*, 566 U.S. at 79–80). But "an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces." *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016).

MAYO/ALICE STEP TWO

Appellant's arguments center on *Mayo/Alice* step two. *See* Br. 15–21. In particular, Appellant argues that independent claims 1, 9, and 17 "recite several specific, unconventional limitations that add more than what is well-understood or routine" and "confine the claims to particular useful applications" by "recit[ing] more than simple conventional steps at a high

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level of generality." *Id.* at 16. Appellant identifies the following as examples of "specific, unconventional limitations":

- currency converters receiving graphical time-based trend information so that the currency converters can evaluate transactions;

- sender workstations receiving the conversion rates of different currency converters so that the conversion rates of the different currency converters can be displayed simultaneously to each of the senders on the sender workstations to select a desired currency converter;

- providing a mobile alert number to communicate with the recipient of the fund transfer and transmit a customized message to the recipient in response to the sender confirming a transaction associated with the recipient; and

- the recipient being able to suspend use of an account card by activating a first toggle button and reactivate the account card by activating a second toggle button.

Id. at 16–19.

Appellant contends that these "specific, unconventional limitations" provide various benefits. Br. 17–21. For example, Appellant explains that currency converters receiving graphical time-based trend information advantageously allows currency converters to adjust conversion rates in real time to compete for business. *Id.* at 17, 20–21; Spec. ¶¶ 43, 58, Fig. 20. Appellant also explains that sender workstations receiving the conversion rates of different currency converters advantageously allows senders to select the best rates and maximize conversion yields. *Id.* at 17, 21; Spec. ¶¶ 11, 19, 43, 45, Fig. 14. "The converter financial institutions display their rates simultaneously in a competitive manner to attract account-holding sender's purchases," and "[s]enders desiring to obtain best rates will influence how often and how competitively financial institutions adjust their

conversion rates . . . ." Spec. ¶ 43. Appellant additionally explains that transmitting a customized message to the recipient confirming a transaction permits the recipient to access funds without delay. Br. 18, 21; Spec. ¶¶ 45, 59, Fig. 14.

The Examiner determines that claims 1, 9, and 17 encompass concepts "similar to concepts previously identified as abstract ideas by the courts," such as *Cyberfone Systems, LLC v. CNN Interactive Group, Inc.*, 558 F. App'x 988 (Fed. Cir. 2014); *SmartGene, Inc. v. Advanced Biological Laboratories, SA*, 555 F. App'x 950 (Fed. Cir. 2014); and *Dealertrack, Inc. v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012). Ans. 6. The Examiner also determines that the claims require "hardware that has been recited at a high level of generality." *Id.* at 14. The Examiner reasons that Appellant's "arguments regarding why the limitations are useful are intended use statements," and "[t]he potential usefulness or convenience of the inventive concept is not the issue raised under a 101 analysis." *Id.*

Based on the record before us, however, we agree with Appellant that claims 1, 9, and 17 recite a particular arrangement of elements that when considered as an ordered combination add enough to satisfy *Mayo/Alice* step two. Contrary to the Examiner's reasoning, the Federal Circuit has considered usefulness and improvements compared to prior-art systems and methods when analyzing patent-eligibility issues. *See, e.g., BASCOM*, 827 F.3d at 1350–51; *see also Core Wireless Licensing S.A.R.L. v. LG Elecs., Inc.*, 880 F.3d 1356, 1362–63 (Fed. Cir. 2018).

Here, the specificity of the technical solution and the particular arrangement of elements required by the claims more closely resembles claims considered patent eligible by the Federal Circuit compared to the

patent-ineligible claims in the decisions the Examiner cites. *See Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1299–1306 (Fed. Cir. 2016); *BASCOM*, 827 F.3d at 1349–51; *Trading Techs. Int'l, Inc. v. CQG, Inc.*, 675 F. App'x 1001, 1002–05 (Fed. Cir. 2017).

For instance, in *Trading Technologies International, Inc. v. CQG, Inc.*, the patents in suit "describe[d] and claim[ed] a method and system for the electronic trading of stocks, bonds, futures, options and similar products" where a graphical user interface displayed the "market depth of a commodity traded in a market," including a dynamic display of bids and asks for the commodity and a static display of prices. *Trading Techs.*, 675 F. App'x at 1002–03. The claimed method and system "reduc[ed] the time . . . for a trader to place a trade when electronically trading on an exchange, [and] thus increas[ed] the likelihood that the trader will have orders filled at desirable prices and quantities." *Id.* at 1003.

Similarly, systems and methods according to claims 1, 9, and 17 beneficially display graphical time-based trend information to currency converters and display conversion rates of different currency converters to senders. *See* Br. 17–21; Spec. ¶¶ 11, 19, 43, 45, 58, Figs. 14 and 20. Moreover, the claims recite a technical solution at least as specific as the technical solution recited in the claims at issue in *Trading Technologies*. *See* 675 F. App'x at 1003; *see also Trading Techs. Int'l, Inc. v. CQG, Inc.*, No. 05-CV-4811, 2015 WL 774655, at *1–2 (N.D. Ill. Feb. 24, 2015).

For the reasons discussed above, Appellant's arguments have persuaded us that the Examiner erred in rejecting claims 1, 9, and 17 under § 101. Hence, we do not sustain the § 101 rejection of the independent claims.

Claims 2, 3, 5–8, 10–13, 15, 16, and 18–21 depend directly or indirectly from an independent claim discussed above. For the reasons discussed regarding the independent claims, we do not sustain the § 101 rejection of these dependent claims.

Because this determination resolves the appeal with respect to claims 1–3, 5–13, and 15–21, we need not address Appellant's other arguments regarding Examiner error.

DECISION

We reverse the Examiner's decision to reject claims 1–3, 5–13, and 15–21.

REVERSED